



JOHN NAIMO
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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December 28, 2015

TO: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: John Naimo 
Auditor-Controller

SUBJECT: **YWCA OF GLENDALE – A DEPARTMENT OF PUBLIC SOCIAL
SERVICES DOMESTIC VIOLENCE SUPPORTIVE SERVICES AND
COMMUNITY SERVICES BLOCK GRANT DOMESTIC VIOLENCE
PROGRAMS PROVIDER – CONTRACT COMPLIANCE REVIEW**

We completed a contract compliance review of YWCA of Glendale (YWCA of Glendale or Agency), which covered a sample of transactions from July 2013 through September 2014. The Department of Public Social Services (DPSS) contracts with YWCA of Glendale, a non-profit organization, to provide Domestic Violence Supportive Services (DVSS) and Community Services Block Grant Domestic Violence (CSBG-DV) Program services to eligible victims of domestic violence. DVSS and CSBG-DV Program services include performing assessments, facilitating shelter assistance, and providing legal assistance to the victims.

The purpose of our review was to determine whether YWCA of Glendale appropriately accounted for and spent DVSS and CSBG-DV Program funds to provide the services outlined in their County contracts. We also evaluated the Agency's accounting records, internal controls, and compliance with their contracts and other applicable guidelines.

DPSS paid YWCA of Glendale approximately \$561,000 on a fee-for-service basis from July 2013 through September 2014. The County's Fiscal Year (FY) 2013-14 contracts with YWCA of Glendale required the Agency to return or reinvest any unspent revenues to DPSS. Effective July 1, 2014, DPSS amended their DVSS contracts to require Agencies to return any unspent revenues to DPSS. YWCA of Glendale provides services to residents of the Fifth Supervisorial District.

Results of Review

YWCA of Glendale provided services to eligible participants, recorded and deposited DPSS cash receipts timely, and Agency staff had the required qualifications. However, the Agency did not always comply with all of their County contracts requirements. Specifically, YWCA of Glendale:

- Inappropriately allocated \$23,244 in payroll and non-payroll expenditures to the DVSS and CSBG-DV Programs based on unallowable or unsupported methods. The Agency also billed the DVSS Program \$490 in unallowable travel expenditures.

YWCA of Glendale's attached response indicates that they will reallocate all expenditures charged to the DVSS and CSBG-DV Programs during the contract term using allowable methods, provide DPSS with supporting documentation, and repay any unallowable or unsupported amounts.

- Did not prepare their Cost Allocation Plan in compliance with their County contracts.

YWCA of Glendale's attached response indicates that they implemented a new Cost Allocation Plan that complies with their County contracts.

Details of our review, along with recommendations for corrective action, are attached.

Review of Report

We discussed our report with YWCA of Glendale and DPSS in October 2015. YWCA of Glendale's attached response (Attachment II) indicates agreement with our findings and recommendations. DPSS will work with YWCA of Glendale to ensure that our recommendations are implemented.

We thank YWCA of Glendale management and staff for their cooperation and assistance during our review. If you have any questions please call me, or your staff may contact Don Chadwick at (213) 253-0301.

JN:AB:PH:DC:AA:pn

Attachments

- c: Sachi A. Hamai, Chief Executive Officer
Sheryl L. Spiller, Director, DPSS
Jerome French, Board President, YWCA of Glendale
Michelle Roberts, Executive Director, YWCA of Glendale
Public Information Office
Audit Committee

**YWCA OF GLENDALE
DOMESTIC VIOLENCE SUPPORTIVE SERVICES & COMMUNITY SERVICES
BLOCK GRANT DOMESTIC VIOLENCE PROGRAMS
CONTRACT COMPLIANCE REVIEW
JULY 2013 THROUGH SEPTEMBER 2014**

ELIGIBILITY

Objective

Determine whether YWCA of Glendale (YWCA of Glendale or Agency) provided services to individuals who met the Domestic Violence Supportive Services (DVSS) and Community Services Block Grant Domestic Violence (CSBG-DV) Program eligibility requirements.

Verification

We reviewed the case files for ten (20%) of the 51 participants who received DVSS Program services and for the eight (100%) participants who received CSBG-DV Program services during August 2014 for documentation to confirm their eligibility.

Results

YWCA of Glendale had documentation to support all 18 participants' eligibility for the applicable Program's services.

Recommendation

None.

PROGRAM SERVICES

Objective

Determine whether YWCA of Glendale provided the services required by their County contracts and DVSS and CSBG-DV Program guidelines, and whether the Program participants received the billed services.

Verification

We visited one (50%) of the two YWCA of Glendale service sites, and reviewed the case files for ten (20%) of the 51 participants who received DVSS Program services and for the eight (100%) participants who received CSBG-DV Program services during August 2014.

Results

The case files for the 18 participants reviewed had documentation to support that YWCA of Glendale provided services in accordance with their County contracts.

Recommendation

None.

STAFFING QUALIFICATIONS**Objective**

Determine whether YWCA of Glendale's staff had the qualifications required by their County contracts.

Verification

We reviewed the personnel files for six (30%) of the 20 YWCA of Glendale staff who worked on the DVSS and CSBG-DV Programs.

Results

YWCA of Glendale's six staff reviewed had the qualifications required by their County contracts.

Recommendation

None.

CASH/REVENUE**Objective**

Determine whether YWCA of Glendale properly recorded revenue in their financial records, deposited cash receipts into their bank account timely, and if bank account reconciliations were reviewed and approved by Agency management.

Verification

We interviewed YWCA of Glendale's management, and reviewed their financial records and August 2014 bank reconciliations.

Results

YWCA of Glendale properly recorded revenue in their financial records, deposited Department of Public Social Services (DPSS) cash receipts into their bank account timely, and monthly bank reconciliations were reviewed and approved by Agency management.

Recommendation

None.

EXPENDITURES/COST ALLOCATION PLAN**Objective**

Determine whether expenditures charged to the DVSS and CSBG-DV Programs were allowable under their County contracts, properly documented, and accurately billed. In addition, determine whether the Agency prepared their Cost Allocation Plan (Plan) in compliance with their County contracts, and used the Plan to allocate shared expenditures appropriately.

Verification

We interviewed YWCA of Glendale's personnel, and reviewed their Plan and financial records for 15 non-payroll expenditures, totaling \$18,661, that the Agency charged to the DVSS and CSBG-DV Programs from August 2013 through September 2014.

Results

YWCA of Glendale did not prepare their Plan in compliance with their County contracts. Specifically, the Agency did not have a written Plan that described their cost allocation methodology, and the methods that they used were unallowable or unsupported. In addition, YWCA of Glendale inappropriately charged \$15,045 (81%) of the \$18,661 in non-payroll expenditures reviewed to the DVSS and CSBG-DV Programs. Specifically, YWCA of Glendale inappropriately:

- Allocated \$14,555 to the DVSS and CSBG-DV Programs for shared expenditures based on unsupported rates, instead of using allowable methods based on actual conditions as required.
- Billed the DVSS Program \$490 (100%) for unallowable travel expenditures.

Recommendations**YWCA of Glendale management:**

1. **Reallocate all expenditures charged to the Domestic Violence Supportive Services and Community Services Block Grant Domestic Violence Programs during the contract term, provide the Department of Public Social Services with supporting documentation, and repay any unallowable or unsupported amounts.**
2. **Ensure that all expenditures charged to the Domestic Violence Supportive Services and Community Services Block Grant Domestic Violence Programs are allowable, properly documented, and accurately billed.**
3. **Develop a Cost Allocation Plan that complies with their County contracts.**

PAYROLL AND PERSONNEL**Objective**

Determine whether YWCA of Glendale charged payroll costs to the DVSS and CSBG-DV Programs appropriately, and maintained personnel files as required.

Verification

We traced the payroll costs for six employees, totaling \$6,550 for August 2014, to the Agency's payroll records and time reports. We also interviewed staff, and reviewed personnel files for six YWCA of Glendale DVSS and CSBG-DV Program staff.

Results

YWCA of Glendale maintained personnel files as required. However, YWCA of Glendale inappropriately allocated \$2,715 (41%) of the \$6,550 in payroll costs reviewed to the DVSS Program. Specifically, YWCA of Glendale allocated the payroll costs for three employees who worked on County and non-County programs based on unsupported rates instead of actual conditions as required. The Agency also used unsupported rates to inappropriately allocate \$5,974 in employee benefit costs to the DVSS and CSBG-DV Programs for August 2014.

Recommendation

Refer to Recommendations 1 and 2.

CLOSE-OUT REVIEW**Objective**

Determine whether YWCA of Glendale had any unspent revenue for the DVSS and CSBG-DV Programs for Fiscal Year (FY) 2013-14.

Verification

We traced the total revenues and expenditures from YWCA of Glendale's FY 2013-14 close-out reports to the Agency's accounting records, and to DPSS' payment records.

Results

YWCA of Glendale's close-out reports for FY 2013-14 indicated that they did not have any unspent revenue for FY 2013-14. However, YWCA of Glendale needs to revise their accounting records based on our recommendations above, provide DPSS with revised close-out reports for FY 2013-14, and work with DPSS to return or reinvest any unspent revenue.

Recommendation

4. YWCA of Glendale management revise their accounting records based on our recommendations above, provide the Department of Public Social Services with revised close-out reports for Fiscal Year 2013-14, and work with the Department of Public Social Services to return or reinvest any unspent revenue.



October 15, 2015

John Naimo, Auditor-Controller
County of Los Angeles
Department of Auditor-Controller
Countywide Contract Monitoring Division
350 South Figueroa Street, 8th Floor
Los Angeles, CA 90071

Re: YWCA OF GLENDALE – A DEPARTMENT OF PUBLIC SOCIAL SERVICES DOMESTIC VIOLENCE SUPPORTIVE SERVICES AND COMMUNITY SERVICE BLOCK GRANT DOMESTIC VIOLENCE PROGRAMS PROVIDER – CONTRACT COMPLIANCE REVIEW

Dear Mr. Naimo:

We received the Auditor-Controller Report on the Department of Public Social Services Domestic Violence Supportive Services and Community Service Block Grant Domestic Violence Programs Provider Contract Compliance Review.

Attached please see our response to the Auditor-Controller recommendations.

We appreciate the professionalism of your staff and the assistance, support and advice we received during the audit.

Should you require additional information, please do not hesitate to call me up at (818) 242-4155 ext. 222.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Roberts".

Michelle Roberts
Executive Director

**YWCA OF GLENDALE
DOMESTIC VIOLENCE SUPPORTIVE SERVICES & COMMUNITY SERVICE BLOCK
GRANT DOMESTIC VIOLENCE PROGRAMS
CONTRACT COMPLIANCE REVIEW
JULY 2013 THROUGH SEPTEMBER 2014**

RECOMMENDATIONS/RESPONSES

EXPENDITURES/COST ALLOCATION PLAN

Recommendations

1. **Reallocate all expenditures charged to the Domestic Violence Supportive Services and Community Services Block Grant Domestic Violence Programs during the contract term, provide the Department of Public Social Services with supporting documentation, and repay any unallowable or unsupported amounts.**

YWCA of Glendale Response

The Organization intends to reallocate all expenditures charged to the Domestic Violence Supportive Services and Community Services Block Grant Domestic Violence Programs during the contract term, provide the Department of Public Social Services with supporting documentation, and repay any unallowable or unsupported amounts.

However, given the variance of program expenditures compared to Government funding, the Organization does not expect the reallocated expenditures to be less than Government funding.

Recommendations

2. **Ensure that all expenditures charged to the Domestic Violence Supportive Services and Community Services Block Grant Domestic Violence Programs are allowable, properly documented, and accurately billed.**

YWCA of Glendale Response

The YWCA of Glendale will ensure that all expenditures charged to the Domestic Violence Supportive Services and Community Services Block Grant Domestic Violence Programs are allowable, properly documented, and accurately billed.

Recommendations

3. Develop a Cost Allocation Plan that complies with their County contracts.

YWCA of Glendale Response

The YWCA of Glendale has implemented a Cost Allocation Methodology in FY15 which it feels is appropriate in addressing its contractual obligations and related guidelines. We feel that this methodology could be utilized for allocating expenditures during the audit period, as well. The Organization intends to revisit and formalize this Cost Allocation Methodology; and present the same to its Government partners for approval.

Recommendations

4. YWCA of Glendale management revise their accounting records based on our recommendations above, provide the Department of Public Social Services with revised close-out reports for Fiscal Year 2013-14, and work with the Department of Public Social Services to return or reinvest any unspent revenue.

YWCA of Glendale Response

Following reallocation of payroll and non-payroll expenditures, the YWCA of Glendale intends to revise and resubmit the Department of Public Social Services close out reports for FY14; and work with the Department of Public Social Services to return or reinvest any unspent revenue. As stated above however, the Organization does not feel that there would be any unspent funds or that reallocated expenditures would be less than Government funding received.